25X1	1
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## Central Intelligence Bulletin

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11 December 1973

25X1

25X1	Approved For Release 2004/07/08 : CIA-RDP79T00975A025800060001-9	
25X1	11 December 1973	25X′
	Central Intelligence Bulletin	
•	CONTENTS	
	ARAB STATES - ISRAEL: Sadat and Asad are planning negotiating strategy for the peace conference. (Page 1)	
		25X′
	NETHERLANDS: Government asks for emergency powers. (Page 4)	
		25X1

FOR THE RECORD: (Page 7)

25X1

ARAB STATES - ISRAEL: Egyptian and Syrian leaders are meeting in Cairo to prepare for the opening next week of the Geneva peace conference. The Israelis, meanwhile, are taking forceful steps to halt a spate of terrorist activity in the Israeli-occupied West Bank.

Syrian President Asad arrived in Cairo yesterday to consult with President Sadat. Asad is expected to attempt to coordinate with Sadat a negotiating strategy for the peace conference. A lower ranking Syrian delegation has been in Egypt for the past few days to discuss such cooperation. Asad came to Cairo directly from two days of talks with President Qadhafi in Tripoli, suggesting that another purpose of his trip may be to help ease the currently strained relations between the Egyptian and Libyan leaders.

Egypt's opening presentation to the peace conference will have a significant bearing on the outcome of Israel's Knesset elections on 31 December, according to well-placed members of the Israeli Labor Party. Sources of the US Embassy in Tel Aviv have stressed that the Labor Party's electoral prospects would be greatly enhanced by a "moderate and constructive" Egyptian statement that the party could present to the public as evidence that the conference could lead to a viable peace settlement. A hard-line Egyptian presentation of nonnegotiable demands, it is felt, would strengthen the showing of the opposition Likud coalition by enabling it to characterize Israeli participation in the conference as a surrender to international pressures.

Israel has taken severe measures to counter the recent surge in terrorist activity in the West Bank. According to press reports, Tel Aviv yesterday deported to Jordan eight Arab residents of the West Bank--including an Arab mayor and a member of the Islamic Council in Jerusalem--accused of urging cooperation with Arab guerrillas. In addition, Israeli authorities for the first time in four years

1

imposed a curfew in Nablus, the West Bank's major city and the site of the attack on 8 December on the Israeli military governor. Israeli security forces, meanwhile, reportedly destroyed five houses belonging to alleged Arab terrorists. In Amman, a spokesman for the Jordanian Government last night denounced the deportations as a "tyrannical action" that violated international law.

Military activity yesterday was primarily lim-
ited to exchanges of small-arms fire and was very
light on both the Egyptian and the Syrian fronts.
ridge on both the Edyptian and the Syllan Flories.

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NETHERLANDS: Prime Minister Den Uyl's fiveparty government has asked for emergency powers for one year to deal with the economic disruptions caused by the oil crisis. A draft bill submitted to parliament on 8 December would give the government authority to fix wages and prices as well as to control industrial employment levels.

There had been fears in some political circles that serious disputes over policy might immobilize the coalition. Despite the recent statement by the government modifying the Dutch position on the Middle East in a direction more favorable to the Arabs, there has been no easing of the oil embargo. The opposition, along with some elements of the ruling Labor Party that have had reservations about the government's policies, however, has muted its criticism and is presently unwilling to try to capitalize on the oil crisis for political profit. Most political leaders sense the need for unity and are inclined to follow public opinion which remains strongly pro-Israel.

Criticism of the government could increase, however, if the oil embargo results in a serious increase in unemployment. Several of the major refineries in Rotterdam have already cut back production, and some may be forced to close if the boycott extends into the spring. The Dutch have few means for dealing directly with the oil shortage and their EC partners show little willingness to share oil supplies. The Hague, moreover, is displeased that British and French officials are creating difficulties over the "silent understanding" among EC members that permits the Netherlands to receive some non-Arab oil in place of embargoed Arab oil.

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11 Dec 73

Central Intelligence Bulletin

Parliament probably will risk some public disfavor and pass the emergency legislation next week. Dutch officials for the near term will look to the US for alternatives. They are gratified that the US and West German defense ministers gave assurances at this week's NATO ministerial meeting that the Dutch Air Force and Navy would receive sufficient fuel supplies. Dutch Government leaders will meet with US officials later this week to explore bilateral cooperative programs to deal with the energy shortage.

25X1

11 Dec 73

Central Intelligence Bulletin

5

Next 1 Page(s) In Document Exempt

## FOR THE RECORD\*

WEST GERMANY - CZECHOSLOVAKIA: West German Chancellor Brandt and Foreign Minister Scheel begin a two-day visit to Prague today to sign the "reconciliation" treaty and to establish diplomatic relations with Czechoslovakia. Bonn hopes to follow up this achievement quickly and establish full diplomatic relations with Bulgaria and Hungary before the end of the year.

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CZECHOSLOVAKIA: Prague extended \$105 million in economic aid to India during Secretary General Husak's recent visit to New Delhi. The new assistance, the first India has received from Czechoslovakia since 1964, raises Czech commitments to India to \$280 million.

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VENEZUELA: The latest and unofficial returns from the presidential balloting Sunday show Democratic Action's Carlos Andres Perez with an increasing lead over Lorenzo Fernandez, the governing Social Christian Party nominee. The two major parties appear to be winning about 65-70 percent of the total presidential vote, a major gain over their total in 1968 and a possible indication that a two-party system may be emerging in the country.

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\*These items were prepared by CIA without consultation with the Departments of State and Defense.

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11 Dec 73

Central Intelligence Bulletin

25X1	Top Secret	Approved For Release 2004/07/08 : CIA-RDP79T00975A025800060001-9	
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